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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

PixFusion LLC, :
Plaintiff, : Civil Action No. 1:08-04223-RJH (HBP)
v. : **REPLY TO COUNTERCLAIMS**
MushyGushy.com, LLC, :
Defendant. : ECF CASE
: ELECTRONICALLY FILED
: JURY TRIAL DEMANDED

Plaintiff PixFusion LLC, by their attorneys, Day Pitney LLP, hereby files this
reply to counterclaims filed by Defendant MushyGushy.com, LLC., and states as follows:

COUNTERCLAIMS

1. Paragraph 43 of the Answer and Counterclaims states legal conclusions to which no response is necessary. To the extent a response may be required, PixFusion admits MushyGushy's Answer and Counterclaims asserts counterclaims against PixFusion, and, with respect to the other allegations in Paragraph 43, Plaintiff denies the same.

THE PARTIES

2. PixFusion admits the allegations set forth in Paragraph 44 of the Answer and Counterclaims.

3. PixFusion admits the allegations set forth in Paragraph 45 of the Answer and Counterclaims.

JURISDICTION AND VENUE

4. PixFusion admits this Court has subject matter jurisdiction over PixFusion's action. With respect to the other allegations in Paragraph 46 of the Answer and Counterclaims, those allegations state legal conclusions to which no response is necessary. To the extent a response may be required, PixFusion is without information sufficient to form a belief as to the truth of those allegations and, therefore, denies the same.

5. PixFusion admits PixFusion resides and may be found in New York, New York. With respect to the other allegations set forth in Paragraph 47 of the Answer and Counterclaims, PixFusion denies the same.

6. PixFusion admits the allegations set forth in Paragraph 48 of the Answer and Counterclaims.

7. PixFusion admits Plaintiff's Complaint alleges MushyGushy infringes U.S. Patent No. 6,351,265 and MushyGushy's Answer and Counterclaims alleges MushyGushy does not infringe U.S. Patent No. 6,351,265 and alleges some or all of the claims of U.S. Patent

No. 6,351,265 are invalid. With respect to the other allegations set forth in Paragraph 49 of the Answer and Counterclaims, those allegations state legal conclusions to which no response is necessary. To the extent a response may be required, PixFusion denies the same.

COUNTERCLAIM I - INFRINGEMENT

8. In response to the allegations in Paragraph 50 of the Answer and Counterclaims, which re-alleges and incorporates by reference all allegations set forth in Paragraphs 43 through 49 of the Answer and Counterclaims, PixFusion repeats and re-alleges its reply to those paragraphs as found in Paragraphs 1-7 above as if fully set forth herein.

9. PixFusion denies the allegations set forth in Paragraph 51 of the Answer and Counterclaims.

10. PixFusion denies the allegations set forth in Paragraph 52 of the Answer and Counterclaims.

COUNTERCLAIM II - INVALIDITY

11. In response to the allegations in Paragraph 53 of the Answer and Counterclaims, which re-alleges and incorporates by reference all allegations set forth in Paragraphs 43 through 52 of the Answer and Counterclaims, PixFusion repeats and re-alleges its reply to those paragraphs as found in Paragraphs 1-10 above, as if fully set forth herein.

12. PixFusion denies the allegations set forth in Paragraph 54 of the Answer and Counterclaims.

13. PixFusion denies the allegations set forth in Paragraph 55 of the Answer and Counterclaims.

AFFIRMATIVE DEFENSE

14. The Counterclaims fail to state a claim upon which relief may be granted.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff PixFusion prays for the following relief:

- A. A dismissal of MushyGushy's counterclaims; and
- B. For such other and further relief as the court deems just and proper

DATED: June 16, 2008

Day Pitney LLP
Attorneys for Plaintiff
PixFusion LLC

By: *s/Marc A. Lieberstein*
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CERTIFICATE OF SERVICE

The undersigned certifies the foregoing Reply to Counterclaims was submitted to the Court's CM/ECF system on June 16, 2008, for service through the Court's Electronic Transmission Facilities upon the following:

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